

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



August 22, 2003

County Fiscal Letter (CFL) No. 03/04-021

To: COUNTY WELFARE DIRECTORS  
COUNTY FISCAL OFFICERS  
COUNTY AUDITOR CONTROLLERS  
COUNTY EBT COORDINATORS

SUBJECT: Electronic Benefit Transfer (EBT) Revised Development and Implementation County Expenditure Claim Form and Expenditure Payment Processes

REFERENCES: CFL 00/01-110, Maintenance and Operations (M&O) Policy for the EBT System, dated June 13, 2001; CFL 01/02-27, EBT Expenditure Claiming Instructions, dated October 3, 2001; and Individual County EBT Project Allocation Letters

The purpose of this letter is to provide counties with a revised EBT development and implementation County Expenditure Claim form and instructions. It defines the processes the Health and Human Services Data Center (HHSDC) and the California Department of Social Services (CDSS) will utilize to pay county expenditures associated with the development/implementation and the Citicorp M&O costs of the EBT system and the EBT M&O offset recovery process.

EBT County Expenditure Claim Form

Counties were informed in CFL 01/02-27 that costs specifically associated with the development and implementation phase of the EBT Project are to be invoiced via the EBT County Expenditure Claim form. The claim form and instructions have been revised to allow counties to invoice for pre-approved site preparation costs. The revised EBT County Expenditure Claim form and instructions are enclosed (Attachment I) in this CFL.

County Implementation Allocation and Payment Process

Each county will be issued an allocation (by category) for one-time EBT related costs. Counties will report expenditures on the EBT County Expenditure Claim form. The HHSDC EBT Project will review each submitted claim against each county's approved allocation for that category. Approved county expenditures for that category will be reimbursed up to the level of the allocation. Guidance on allowable EBT costs was

provided to counties in the *EBT County Cost Summary Guide* (dated July 2002) by the HHSDC EBT Project.

In the event a county exceeds the allocation for a particular category, the county may request additional funding from the HHSDC EBT Project, but must provide sufficient documentation to justify the total amount claimed for that category. The HHSDC EBT Project will review the request and issue a revised allocation for approved costs if funds are available, and the request is appropriate. If additional funding is not approved, any amount claimed in excess of the allocation for the category will be denied as county-only cost.

### M&O Expenditures

The M&O phase for each county begins after all EBT testing is completed, and the EBT system is fully operational for that county. The EBT Prime Contractor (Citicorp) will track costs incurred for M&O that are directly related to the operations of the EBT system on behalf of each county.

### Citicorp Invoice for M&O Expenditures

Citicorp will invoice the HHSDC for M&O expenditures on a monthly basis. Examples of M&O expenditures include, but are not limited to, core services, Automated Response Unit call charges, cash withdrawal fees, card issuance charges, coupon conversion charges, and equipment maintenance. The Citicorp invoice will contain summarized statewide totals and county-level detail. CDSS will pay the invoice including the county share of the costs. CDSS will offset the county share against the county's CalWORKs Assistance monthly advance. The CDSS Fiscal Systems Bureau (FSB) will notify each county of their offset amount for the invoice period and provide counties with a detail of all county costs by program (e.g., Food Stamp, California Food Assistance Program (CFAP), CalWORKs, and General Assistance/General Relief). Counties are required to report all invoiced EBT-related costs under the Extraneous section of the County Expense Claim (CEC).

Refer to CFL No. 00/01-110 (Attachment II) for the policy regarding the Maintenance of Effort (MOE) as related to the EBT project.

### Questions

Any questions regarding the EBT implementation-phase funding allocations or the *EBT County Expenditure Claim* should be directed to the EBT Project, attention Ray Lawson, at (916) 263-4133.

Any questions regarding the county offset amount should be directed to the Fiscal Systems Bureau, attention John Lopes, at (916) 654-1921. Any questions regarding the claiming of normal administrative costs should be directed to your analyst in the Fiscal Policy Bureau at (916) 657-3440.

Sincerely,

***Original Document Signed by  
MARGE DILLARD on 08/22/03***

MARGE DILLARD, Chief  
Fiscal Systems and Accounting Branch

Attachments

c. CWDA

**ELECTRONIC BENEFIT TRANSFER (EBT) PROJECT  
COUNTY EXPENDITURE CLAIM**

<b>Name of County:</b>	
<b>Month/Year Service Rendered:</b>	<b>Date Prepared:</b>

Monthly Expenditures		
Category	Hours	Cost
Project Manager		\$
Assistant Project Manager(s)		\$
System Development		
• Salary & Benefits		\$
• Hardware & Software		\$
Travel and Per Diem		\$
Training Sites		\$
Site Preparation		\$
Total		\$

Preparer's Information	
<b>Name:</b>	<b>Mailing Address:</b>
<b>Telephone Number:</b>	<b>Fax Number:</b>
<b>E-mail address:</b>	

**COUNTY AUDITOR'S CERTIFICATION**

I hereby certify under penalty of perjury, that I am the Official in aforesaid county responsible for the examination and settlement of accounts; that I have not violated any provisions of Sections 1090 to 1096, inclusive, of the Government Code; that the expenditures reported herein have been authorized by the Welfare Director; and that warrants therefore have been issued or expenditures otherwise incurred according to law.

\_\_\_\_\_  
SIGNATURE OF COUNTY AUDITOR

\_\_\_\_\_  
DATE  
=====

**COUNTY WELFARE DIRECTOR'S CERTIFICATION**

I hereby certify under penalty of perjury, that I am the Official in aforesaid county responsible for the examination and settlement of accounts; that I have not violated any provisions of Sections 1090 to 1096, inclusive, of the Government Code; that the amounts reported herein have been expended and are properly chargeable as expenditures for administration of the welfare programs in accordance with all provisions of the Welfare and Institutions Code and the rules and regulations of the California Department of Social Services.

\_\_\_\_\_  
SIGNATURE OF COUNTY WELFARE DIRECTOR

\_\_\_\_\_  
DATE  
=====

## Electronic Benefit Transfer County Expenditure Claim Instructions

**Name of County** – Enter the county name.

**Month/Year Service Rendered** – Enter the month and year for which expenditures are being claimed.

**Date Prepared** – Enter the month/day/year this form was prepared.

**Name of Preparer** – Enter the Preparer's name.

**Mailing Address of Preparer** – Enter the Preparer's address.

**Telephone Number of Preparer** – Enter the Preparer's telephone number.

**Fax Number of Preparer** – Enter the Preparer's fax number.

**E-mail address of Preparer** – Enter the Preparer's e-mail address.

**Project Manager** – Enter the number of hours, salary and benefits of the project manager.

**Assistant Project Manager(s)** – Enter the number of hours, salary and benefits of each assistant project manager.

**System Development** – Enter the number of hours and costs of county technical and/or vendor staff to: (1) develop, test and implement county eligibility system interfaces and connectivity to the EBT system; (2) develop, test and implement cash automated settlement and EBT reconciliation processes; and (3) produce conversion files. Enter the cost for approved telecommunication hardware and/or software. These costs must be authorized prior to any claiming.

**Travel and Per Diem** – Enter the travel and per diem costs incurred by county staff to attend state-sponsored and approved EBT-specific meetings.

**Training Sites** – Enter the costs for the rental of training sites, furnishings, and facility operations during the conversion from the current benefit delivery system to EBT.

**Site Preparation** – Enter the costs for site preparation tasks that may include installing telecommunication lines, electrical power outlets, data cables, wiring racks, etc.

**Total** – Enter the total cost for all line items for the month.

**Signatures** – Obtain the signatures of the County Auditor and County Welfare Director.

**The EBT County Expenditure Claim is to be submitted by the tenth day of the month following the month costs are incurred.** An original and duplicate copy must be submitted as follows:

<b><u>Send the original copy to:</u></b>	<b><u>Send a duplicate copy to:</u></b>
California Department of Social Services Fiscal Systems Bureau 744 P Street, M.S. 13-71 Sacramento, CA 95814	Health and Human Services Data Center Electronic Benefit Transfer Project 1651 Alhambra Blvd. Sacramento, CA 95816

**DEPARTMENT OF SOCIAL SERVICES**

744 P Street, Sacramento, CA 95814



June 13, 2001

COUNTY FISCAL LETTER (CFL) NO. 00/01-110

TO: COUNTY WELFARE DIRECTORS  
COUNTY FISCAL OFFICERS  
COUNTY AUDITOR CONTROLLERS  
COUNTY PROBATION OFFICERS

SUBJECT: MAINTENANCE AND OPERATIONS (M&O) POLICY FOR THE  
ELECTRONIC BENEFIT TRANSFER (EBT) SYSTEM

The purpose of this letter is to clarify the policy regarding maintenance and operations costs for the EBT project. This methodology is currently implemented or will be implemented for all federally mandated statewide EDP projects developed, implemented and maintained by the State on behalf of county-administered Public Assistance Programs. San Diego and San Bernardino counties are excluded from this policy until they transfer to the Statewide EBT project.

As each county begins conversion to EBT, they will begin incurring M&O costs attributable to processing their operations on the EBT system. These costs will consist of vendor costs and an allocated share of state project management costs. The vendor will be tracking all of their costs by county. The State is currently in the process of developing a methodology to allocate state project management and processing costs to counties.

Also, there have been some questions regarding the Maintenance of Effort (MOE) as related to the EBT project. Beginning with the M&O phase of EBT, the county share of cost for the CalWORKs Program is limited to the CalWORKs MOE. The county MOE consists of fiscal year 1996/97 CalWORKs administration, CalWORKs Child Care, CalWORKs services and Food Stamps expenditures in total. Since the CalWORKs MOE includes Food Stamps, both programmatic expenditures are countable towards a county reaching their MOE annually. By combining these expenditures, counties could meet their MOE sooner in each fiscal year. When a county has met its MOE for a particular fiscal year, county costs then shift to the State. Counties may use CalWORKs administration in their single allocation or county MOE to pay for EBT M&O.

Prior to the first county incurring M&O costs, the State will notify the counties of the methodology for billing and/or off-set and the frequency.

If there are any questions regarding these policies, please contact Jeffrey Hiratsuka, Chief, Fiscal Systems Bureau at (916) 657-2386.

MARY JANE ARCHER, Chief  
Fiscal Systems and Accounting Branch

cc.	Chris Dunham	EBT-HHSDC
	Patty Lower	EBT-HHSDC
	Jeff Hiratsuka	Fiscal Systems-CDSS
	Margie Chan	Fiscal Systems-CDSS
	Calvin Rogers	Program Integrity Branch-CDSS
	Carla Lenard	Fiscal Policy-CDSS
	Eva Lopez	County Financial Analysis